

United States Senate  
WASHINGTON, DC 20510

The Honorable Ken Salazar  
Secretary  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington DC 20240

July 22, 2010

Dear Secretary Salazar:

As new safety regulations are implemented in the wake of the Deepwater Horizon oil spill, we all agree that we must ensure that the proper safeguards are in place to prevent another disaster from occurring. It is equally important that satisfying any new safety regulations is feasible, and clearly understood by all impacted parties. Unfortunately, shallow water operators seeking new offshore drilling permits from the U.S. Department of the Interior (DOI) have been afforded no such regulatory clarity of feasibility.



This uncertainty and delay is not necessary. On June 8 and June 18, 2010, the DOI issued Notice to Lessees (NTL) 05 and 06 imposing new safety and environmental requirements that had to be satisfied in order for lessees to receive new shallow water drilling permits, exploration plans or development plans. These documents should have provided clear and reasonable direction to any company seeking to explore in waters less than 500 feet.

The DOI has provided some assistance to applicants on how to satisfy NTL-05; however, the DOI has not provided adequate guidance and information for shallow water operators to comply with NTL-06, resulting in only one new shallow water permit being issued by the DOI. As a consequence, 35 percent of the available shallow water drilling rigs in the Outer Continental Shelf (OCS) are currently without work or the guidance to ever resume that work. We are gratified that meetings have taken place to address these ambiguities; however, every day counts. Therefore we urge the DOI to take immediate action to resume and expedite the consideration and review of applications, while providing applicants with an understanding of the new safety requirements. If the DOI does not do so, thousands of jobs will be at risk in the OCS.

This issue impacts producing states along the OCS, and more assistance is required from the DOI to create a path for the shallow water industry to comply with the new NTL-06 requirements. Failure to do so will result in the loss of thousands of jobs across the nation. In addition, please find attached to this letter a Sense of the Senate Resolution we have introduced today urging the DOI to provide much needed guidance to the industry.

We look forward to working with the DOI to resolve this issue, and look forward to your response.

Sincerely,

The Honorable Ken Salazar

July 22, 2010

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Robert Stinson

Dan Vitter

John Cornyn

Jeff Sessions

Frank Lautenberg

Joe Manchin

Mark Begich

Richard Shelby